

GOVERNMENT OF ANDHRA PRADESH

**ABSTRACT**

Municipal Administration and Urban Development Department – Bus Rapid Transit System  
- Formation of Special Purpose Vehicle (SPV) for implementation and operation of BRTS in  
Visakhapatnam - Orders – Issued.

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MUNICIPAL ADMINISTRATION AND URBAN DEVELOPMENT (H1) DEPARTMENT

**G.O.Ms.No.817**

**Dated the 26<sup>th</sup> November, 2008.**

Read the following:-

1. Note File Case No.JAP/BRTS (5)/2007-JNNURM, dated 22.9.2007 of APSRTC.,
2. Government Letter No.24417/H1/2007-1, MA&UD Dept., dated 7.3.2008.
3. From the VC & MD., APSRTC, No.JAP/BRTS(5)/2007-JnNURM, dated 9.5.2008.
4. Government Letter No.24417/H1/2007-2, MA&UD Dept., dated 22.5.2008.
5. From the VC & MD., APSRTC, No.JAP/BRTS(5)/2007-JnNURM, dated 4.6.2008 and 23.6.2008.
6. Government Letter No.24417/H1/2007-5, MA&UD Dept., dated 3.10.2008.
7. From the Chief Civil Engineer, O/o. the MD, APSRTC., Letter No.JAP/BRTS(6)/2007-JnNURM, dated 5.11.2008.

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**ORDER:**

Visakhapatnam is the second largest city in terms of population in the state after Hyderabad. Greater Visakhapatnam Municipal Corporation has grown faster than Mumbai, Kolkata, Chennai and Hyderabad between the years 1991-2001. The reconstituted Greater Visakhapatnam Municipal Corporation has an area of 515 square kilometers with a population of 14.5 million. The projections indicate that the Visakhapatnam City area would have a population of 16.61 lakhs in 2011 and 20.99 lakhs in 2021. As per the Detailed Project Report prepared by the Administrative Staff College of India (ASCI), Hyderabad and Andhra University College of Engineering, it is reported that, the city's transportation requirement is met by: Bus transport which is the major public transport with modal share of 20%; Three seated autos acting as the Para transit contributing to nearly 15% of the transport demand; and private vehicles comprising two and four wheelers.

2. The non transport vehicles specifically private vehicles have increased significantly during the last decade. The two wheelers have increased by 11.2% and four wheelers by 8.1%. Peak hour flows on major travel corridors carry heavy and high traffic volumes. The mixed traffic conditions present additional problems in maintaining lane discipline, etc., which has resulted in the reduction of average speeds of the vehicles over a period of time. The present average speed is just 15 km per hour and it is still likely to reduce if there is no improvement in the situation. Public Transport System (PTS) in Visakhapatnam is primarily road-based bus transport, tourism – intensive and pilgrim – centered. The total share of public transport is less than 20% against the minimum desired 50% share for Visakhapatnam. The National Urban Transport Policy, 2006 encourages the implementation of Bus Rapid Transit System for major cities and the Central Government is coming forward with financial assistance through Jawaharlal Nehru National Urban Renewal Mission for the implementation of such Bus Rapid Transit Systems. As per the National Urban Transport Policy, such Public Transit Systems need to be set up through the mechanism of Special Purpose Vehicles (SPV).

3. Government of India (GoI) have approved the implementation of BRTS in Visakhapatnam for two Pilot Corridors under Jawaharlal Nehru National Urban Renewal Mission (JnNURM) and the total estimated cost of the project is Rs.452.93 crores, subject to formation of a Special Purpose Vehicle for implementation, viz...

**Corridor-1:**

- Pendurthi Transit Corridor (PTC) from Pendurthi to Dwarakanagar via NAD Junction - 22.6 kms.

**Corridor-2:**

- Simhachalam Transit Corridor (STC) from Vepagunta to Dwarakanagar Via Simhachalam- 20.5 kms

4. Government have examined the issue of Bus Rapid Transit System for Visakhapatnam in consultation with APSRTC, Transport, Roads and Buildings Department and the Visakhapatnam Urban Development Authority who have suggested for the formation a Special Purpose Vehicle for implementation of the Visakhapatnam Bus Rapid Transit System with APSRTC, Visakhapatnam Urban Development Authority and Greater Visakhapatnam Municipal Corporation as stakeholders.

5. Government, hereby approve the formation of Special Purpose Vehicle for implementation and operationalization of the proposed Bus Rapid Transit System for Visakhapatnam City and its surroundings.

6. The name of the proposed Special Purpose Vehicle shall be “**VISAKHAPATNAM URBAN TRANSPORT COMPANY LIMITED**” and the main objectives of the proposed SPV Company shall be:

- To provide Bus Rapid Transit System to the public by way of planning, designing, financing, developing, constructing, maintaining, marketing, operating and enabling BRTS
- To provide and/ or facilitate provision of multi model transportation services including owning, licensing and operating bus routes, passenger and other modes of transport.
- To serve as a single agency which will facilitate, coordinate, control and monitor the activities of various public and private partners that are an integral part of the BRTS planning, implementation and operational functions.
- To engage in and/or to facilitate development and operation of mass transit system.

7. In the Special Purpose Vehicle, the APSRTC would be the major stakeholder with 51% equity, the Greater Visakhapatnam Municipal Corporation with 25% equity & Visakhapatnam Urban Development Authority with 24% equity as other stakeholders. The Special Purpose Vehicle shall be governed by a Board of Directors and shall be answerable to State Government, the Government of India and all other stakeholders for undertaking timely completion of the project and **operationalizing** of the system as per the technical specifications, performance criteria, and safety standards as indicated in the bid documents.

8. The company shall be governed by the following Board of Directors, and the term of the Board shall be initially for a period of 5 years subject to the conditions laid down in the Articles of Association.

1. Commissioner, Greater Visakhapatnam Municipal Corporation	---	Chairman
2. Executive Director, APSRTC, Vijayawada and Visakhapatnam zones	---	Managing Director
3. Vice-Chairman, Visakhapatnam Urban Development Authority	---	Director

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| 4. District Collector,<br>Visakhapatnam District     | --- | Director  |
| 5. Commissioner of Police,<br>Visakhapatnam          | --- | Director  |
| 6. Deputy Transport Commissioner,<br>Visakhapatnam   | --- | Director. |
| 7. Regional Manager, APSRTC,<br>Visakhapatnam Region | --- | Director. |

9. The company shall be incorporated with an Authorized Share Capital of **Rs.2,50,00,000/-(Rupees Two Crores and fifty lakhs only)** divided in to 25,00,000 (Twenty Five Lakhs only) equity shares of Rs.10/- (Rupees ten only) each. The minimum paid up share capital of the company shall be Rs.5,00,000/- (Rupees Five lakhs only).

10. The Commissioner, Greater Visakhapatnam Municipal Corporation and Chairman of the Special Purpose Vehicle is hereby permitted to file an application with the Registrar of Companies for registration of the Special Purpose Vehicle under the name **"VISAKHAPATNAM URBAN TRANSPORT COMPANY LIMITED"**.

11. The Vice Chairman and Managing Director, APSRTC and the Commissioner, Greater Visakhapatnam Municipal Corporation and Chairman of the Special Purpose Vehicle are directed to take further action for implementation and operationalisation of the Bus Rapid Transit System for Visakhapatnam keeping in view the interest of the Government and for ensuring smooth execution of the project as expeditiously as possible.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

**Dr.C.V.S.K.SARMA,**  
**PRINCIPAL SECRETARY TO GOVERNMENT.**

To  
The Vice Chairman and Managing Director, APSRTC.,  
The District Collector, Visakhapatnam District.  
The Commissioner, Greater Visakhapatnam Municipal Corporation.  
The Vice Chairman, Visakhapatnam Urban Development Authority.  
The Commissioner of Police, Visakhapatnam.  
The Deputy Transport Commissioner, Visakhapatnam.  
The Executive Director, APSRTC, Visakhapatnam and Vijayawada zones.  
The Regional Manager, Visakhapatnam Region, Visakhapatnam.

Copy to:  
The Principal Finance Secretary (W&P), Finance Department.  
The Principal Secretary to Government (Transport), TR&B Department.  
The Secretary to Government, (LA), Law Department.  
The Special Secretary to Chief Minister.  
The Advisor to Government, Municipal Administration and Urban Development Department.  
The Principal Secretary to Government, MA&UD Department.  
The E.O., Principal Secretary to Government, MA&UD Department.  
The Secretary to Government, MA&UD Department.  
The Private Secretary to Chief Secretary to Government.  
The Private Secretary to Minister (MA&UD).  
The Finance (Expr.M&F) Department.  
The General Administration (Cabinet) Department..  
(with reference to Council Resolution No. 321/2008, dated 24.9.2008.)  
Sf/Sc.

//FORWARDED::BY ORDER//

SECTION OFFICER